

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of }
Billed Party Preference } CC Docket No. 92-77
for 0+ InterLata Calls }

COMMENTS OF
CONQUEST OPERATOR SERVICES CORP.

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ConQuest Operator Services Corp. ("ConQuest"), pursuant to the Federal Communications Commission's ("FCC") Further Notice of Proposed Rule Making (FNPRM) adopted May 19, 1994 and released June 6, 1994, submits its comments in the above-captioned matter. The record indicates in this proceeding that a Billed Party Preference ("BPP") system will be extremely costly to implement (FCC estimates \$1.1 billion).

It seems that the FCC has conducted it's investigation of BPP for operator services without taking into consideration the potential loss of other services offered by OSP's. The FCC's concern for the consumer has been predicated upon the consumer having a choice in selecting it's operator services provider ("OSP") based upon the billed party's choice. It has become obvious, however, that by giving choice to operator service consumers, we will be taking away the choice for many direct dialed long distance (1+) customers. Operator services consumers already have many ways to reach alternate carriers through 10-XXX access, 1-800 access, and prepaid calling access. In fact,

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ConQuest's survey of 735 aggregator locations (March 16, 1994 through April 15, 1994) indicate that consumers are utilizing dial around access to other carriers at a 51% level.

Many OSP's, like ConQuest, have grown from single state providers to regional providers. Some have even grown to become nationwide providers of operator services. This has been done by initially utilizing switched services, such as 800 services for the purpose of bringing calls back to the OSP's switching system. As these companies have grown, they have built their own private leased networks with Feature Group D facilities purchased from local exchange companies ("LEC's") in many markets, and fixed cost interexchange private line services between the LEC and the OSP's switching system. This has allowed ConQuest and other OSP's to expand into service offerings such as 1+ services, 800 services, calling card services and other enhanced services. For economic and technical reasons, 800 access is not a viable method for 1+ or 800 service provisioning.

Only as a result of the critical mass of traffic provided from operator service usage has it become economically feasible to construct private leased networks. ConQuest, for instance, now offers 1+, 800 and prepaid calling services to customers in over twenty (20) states. This would not be possible without the base of revenue attributed to operator services and consumers would be missing valuable services. Should BPP become reality,

ConQuest, as most other OSP's with similar networks, will be forced to disassemble their private networks. They will be forced to return to switched-access facilities and installation of automatic dialing equipment, all at a considerable cost. In so doing, these carriers will have to abandon 1+ and 800 customers in those markets. For a country that is on the verge of a national "Information Superhighway" this would be a travesty.

It is ConQuest's belief that this has not been a consideration by the FCC. Furthermore, the cost associated with these forced network reconfigurations would ultimately be borne by the consumer and have not been included in the estimated cost of BPP. The benefits of BPP cannot be fairly considered without accounting for additional costs, reduced benefits to consumers, and the resulting void in competition in the U.S. market in many telecommunication services as a result of the aftermath of BPP.


Therefore, as an alternative to BPP, ConQuest offers to the FCC the concept of implementing mandatory rate caps. Mandatory rate caps on an intrastate basis have been established for some time now. OSP's are familiar with such intrastate rate caps and can work within their range without significant changes to other operations that affect consumers. ConQuest believes that mandatory federal rate caps that are established at some reasonable rate level will

protect the consumer and will afford OSP's the opportunity to recover their associated costs and still be profitable.

CONCLUSION

For all of the reasons stated above -- ConQuest believes that BPP is not in the public interest and would unequivocally harm the business of ConQuest and other OSP's who provide a broad range of telecommunication services at competitive prices to consumers. Alternate carriers for operator services are already available to the consumer through 10-XXX access, 1-800 access, prepaid/debit card calling, travel cards, etc. ConQuest thanks the FCC for this opportunity to submit these Comments. ConQuest requests that the FCC accept its recommendation.

Respectfully submitted,
CONQUEST OPERATOR SERVICES CORP.


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Dated: August 1, 1994